

Message Text

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PAGE 01 BEIRUT 04559 160850Z

ACTION NEA-10

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SUBJ: LEBANESE INTEREST IN BANK SECURITY

REF: (A) ATHENS 8324 (NOTAL); (B) BEIRUT 4325 (NOTAL);

(C) BEIRUT 3504

1. APPRECIATE HELPFUL RESPONSE REFTEL (A). E/C OFFICER SPOKE WITH BANK ASSOCIATION PRESIDENT ASSAAD SAWAYA SEPT. 13 TO PROPOSE AVAILABILITY OF MR. LEWIS AND OBTAIN MORE PRECISE DESCRIPTION OF BANK ASSOCIATION'S NEEDS.

2. ASSOCIATION'S CONCEPT IS TO FORM A COMPANY DISTINCT FROM INDIVIDUAL BEIRUT BANKS, BUT CREATED UNDER THEIR JOINT AUSPICES, AND TO CHARGE COMPANY WITH OVERALL SECURITY FOR THE BANK COMMUNITY. COMPANY'S RESPONSIBILITY WILL BE TO PROVIDE BROAD SPECTRUM SECURITY SERVICES INCLUDING (1) OPERATION OF ARMORED CAR SERVICES (2) HIRING AND TRAINING OF 40-50 MAN SECURITY FORCE (3) PROCUREMENT AND INSTALLATION RADIO
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PAGE 02 BEIRUT 04559 160850Z

COMMUNICATIONS NETWORK LINKING BANKS TO ALARM CENTER AND SECURITY REACTION FORCE (4) PROCUREMENT AND INSTALLATION MODERN TV AND CAMERA SURVEILLANCE GEAR IN BANKS. FOREGOING IDEAS ARE BASED ON A PRELIMINARY SCOPE STUDY, DRAWN UP FOR THE ASSOCIATION BY BRINKS (UK), WHICH CONTAINS GENERAL ESTIMATES FOR PERSONNEL, EQUIPMENT, SALARIES AND COSTS.

3. SAWAYA IS IMPRESSED WITH THE BRINKS STUDY BUT SAID IT DOES NOT GO FAR ENOUGH. ASSOCIATION NEEDS IN FIRST PLACE MORE CONSULTING HELP ON HOW COMPANY SHOULD BE CONSTITUTED, WHAT AMOUNTS SUBSCRIBING MEMBER BANKS WOULD HAVE TO PAY IN DUES, WHAT PROJECTED COSTS WOULD BE FOR FIRST TWO YEARS' OPERATION. IN SECOND PLACE, ASSOCIATION NEEDS SPECIFIC ADVICE NOT INCLUDED IN BRINKS STUDY ON TECHNICAL EQUIPMENT SUCH AS ARMORED TRUCKS, SECURE VOICE COMMUNICATIONS, ALARM SYSTEMS ETC. SAWAYA SUGGESTED U.S. EQUIPMENT WAS PROBABLY BEST IN WORLD AND ASSOCIATION WAS INTERESTED IN OBTAINING MOST SOPHISTICATED SYSTEMS AVAILABLE.

4. IN SUM, ASSOCIATION WANTS TO SET UP A BRINKS OR WELLS FARGO TYPE SERVICE WITH, WE INFER, CERTAIN POLICE-TYPE REACTION CAPABILITIES (A DELICATE SUBJECT BUT PRAGMATIC IN LIGHT OF FACT CIVIL HOSTILITIES MIGHT NEUTRALIZE GENDARMES AND POLICE IN BEIRUT) TO PROVIDE IN-THE-STREET SECURITY TO BANK TRANSFERS, PLUS INTEGRATED RADIO AND ALARM COMMUNICATIONS LINKING ALL OR MANY OF ASSOCIATION'S 73 MEMBER BANKS, PLUS ADVICE AND INSTALLATION INDOOR SURVEILLANCE AND SECURITY EQUIPMENT. IT IS AN AMBITIOUS IDEA.

5. ASSOCIATION PLANS OBTAIN LEGAL PERMISSION TO CREATE COMPANY BY EARLY OCTOBER, HIRE AN EX-ARMY OFFICER TO HEAD IT, AND THEN SEARCH OUT THE MANAGEMENT, FINANCIAL AND SECURITY CONSULTANTS REQUIRED TO TRANSLATE STRUCTURE INTO LIMITED OFFICIAL USE

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PAGE 03 BEIRUT 04559 160850Z

AN OPERATION.

6. SAWAYA ACCORDINGLY DID NOT EXPRESS INTEREST IN A LEWIS VISIT ON GROUNDS BRINKS STUDY HAS ALREADY PROVIDED PRELIMINARY DISCUSSION OF THE CONCEPT. EMBASSY BELIEVES, HOWEVER, THAT U.S. FIRMS INCLUDING SUCH SPECIALISTS AS MR. LEWIS HAVE AN EXCELLENT EXPORT/SERVICE TRADE OPPORTUNITY IN SAWAYA'S PLAN. IT WILL REQUIRE COMBINATION OF ACCOUNTING/MANAGEMENT CONSULTING, ADVICE ON THE ARMORED-CAR AND NETWORK SERVICE, AND SALESMANSHIP OF SPECIFIC EQUIPMENT ITEMS TO MEET THE REQUIREMENT SAWAYA OUTLINES. SECURITY ENVIRONMENT IN BEIRUT POSES SPECIAL CHALLENGE TO PERSON OR GROUP WHO COULD ASSEMBLE THESE SKILLS, BUT REWARDS WOULD PRESUMABLY BE ATTRACTIVE--BEIRUT'S BANKS CAN AFFORD TOP QUALITY AND TOP NAME PROTECTION.

7. SAWAYA HOPES TO ATTEND IMF MEETINGS IN WASHINGTON SEPT. 25 - OCT. 1. HIS VISIT PROVIDES OPPORTUNITY FOR INTERESTED U.S. FIRMS TO PRESENT IDEAS. IT IS E/C OFFICER'S VIEW THAT IT WOULD BE PREMATURE FOR EQUIPMENT SUPPLIERS AS SUCH TO MAKE PRESENTATIONS. IN PRESENT PHASE THE IDEAL APPROACH WOULD BE BY A SERVICE

COMPANY EXPERIENCED IN SECURITY FIELD WHO COULD PROPOSE
UNDERTAKE FINANCIAL AND ORGANIZATIONAL ANALYSIS AND
RECOMMEND PREFERRED TECHNICAL GEAR SUCH AS ARMORED
VEHICLES, SECURE VOICE COMMUNICATIONS EQUIPMENT, ALARMS,
TV/PHOTO SURVEILLANCE, AND THE LIKE. TARGET WOULD BE
WINNING AN UMBRELLA ASSISTANCE CONTRACT.

8. RECOGNIZE FOREGOING BOUND TO RAISE QUESTIONS THAT
SAWAYA'S PRESENT CONCEPTION DOES NOT ANSWER. PRECISELY
BECAUSE HE IS A BANKER, THE ESSENCE OF THIS OPPORTUNITY
IS TO HELP HIM TRANSLATE HIS CONCEPTION INTO SPECIFIC
COST PROJECTIONS, STAFF ORGANIZATION, AND EQUIPMENT.
WITHOUT WISHING PREJUDGE POTENTIAL INTEREST OF U.S.
FIRMS, E/C OFFICER RECALLS 1974 SALES VISIT TO LISBON
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PAGE 04 BEIRUT 04559 160850Z

BY WELLS FARGO ARMORED CAR SERVICE REP WHO SOUGHT INTEREST
PORTUGUESE BANKS IN MUCH THE SAME COMPREHENSIVE
SECURITY SERVICE SAWAYA HOPES TO ESTABLISH. WELLS FARGO'S
INTEREST WAS IN DIRECT SERVICE CONTRACT, OF COURSE,
WHEREAS SAWAYA WANTS CONSULTING; BUT SAME EXPERTISE WOULD
APPLY TO BOTH.
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